

THE CAROLINA SPARTAN.

BY CAVIS & TRIMMIE.

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BY CAVIS & TRIMMIE.

T. O. P. VERNON Associate Editor.

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CAROLINA SPARTAN.

Written for the Carolina Spartan.

LULA WOODSWORTH;

OR

LOVE STRONGER THAN PRIDE.

BY J. FORREST GOWAN.

CHAPTER IV.

Music, wine, and social company are, in the estimation of many the most important ingredients of human life and happiness. Whether there be much or any truth in such an idea, it is neither our purpose nor inclination to discuss just here; but certainly, kind reader, judging from appearance, which, by the way, is no criterion, whatever, we could not but acknowledge, as we enter Desmond Drayton's beautiful cottage, three months after the incidents related in the last chapter, that the persons seated in his handsomely furnished parlor had no doubt whatever on the subject. If we allow our minds to go back to the merry days of old England, and call to mind the meetings of celebrated wit, orators, statesmen, warriors, poets and philosophers, around the well filled board of some public house—such, for instance, as the "Mermaid," during the reign of "Queen Bess"—we are struck immediately with the idea that there was and is some virtue, at least, in music, wine, and good company.

Upon such occasions as these, one is at a loss to account for the lively sallies of wit, the keen retort, the brilliant pun, and the general "flow of soul" that seems to pervade the entire party. Before I introduce the reader to a special company, with which I have more to do just now than any other, let us mutually come to an understanding, that the writer is not advocating, but merely relating, what may here follow.

Seated at the head of the table is Desmond himself, the hero of our story, and one of the most eloquent and popular lecturers of his day. Whether he be in good spirits, or good spirits into him, dependent saith not; but one thing is certain, he is apparently in one of his best moods.

At the foot of the table sits a rather jovial and handsome young man, to whom the reader has already been introduced, in the person of Edgar Williamson, the enthusiastic and gentlemanly editor of the "Daily Thunderer," and a man who "spares neither pains nor expense to make his paper all that can be desired." &c. To see him sit there with such manifestations of good humor and happiness, one would suppose that he had taken a bath in Lethe, and forgotten his vocation altogether "in the press of enjoyments during the Christmas holidays"—poor deluded wretch! thou hast forgotten that thou art an editor!

That pale-faced, shaggy-eyed browed man next to Desmond, with his thin lips, hollow cheeks, high and projecting forehead, is Israel Tomlinson, the novelist. How those dark eyes almost glare upon you, seeming to pierce into your very soul and detect the slightest movement of the heart! Just opposite to him sits Lionel Evans, the poet, with his mild, large hazel eyes beaming upon you, and his red lips partly opened, as if ready to warble one of his sweet songs, which have quelled the wild throbbings of many a care worn heart, and made it beautiful even amid its woe. He was one of the favored few, who, with a stroke of the pen, could

"Spread flowers o'er all the earth,
And stars o'er all the sky."

Remember Lionel, for he acts an important part in our story, as well as in another, now in course of preparation.

The limits of my story will not admit of anything like a lengthened description of the many persons present, but suffice it to say, that beside those already mentioned, there were four lawyers of high standing and eminence in their profession, five professors of music, each a master of his instrument, several amateur musicians and vocalists, seven editors, who generally manage "laborious professions," and several captains, lieutenants and colonels, with fierce looking moustaches and military airs, making in all about thirty gentlemen.

"Mr. Fire-entrer," said Desmond—now Fire-entrer, mind you, was none other than the senior editor of the "Squash Annihilator"—"you are really eating nothing at all. What part of the turkey do you prefer?"

Mr. Fire-entrer very smilingly replied, that he was not at all particular in the matter, but if he was permitted to have his choice, he would take "the part that goes over the fence last." "I see that you abide by the Scriptures, so far as your eating is concerned," laughingly replied Lionel: "you think that the last should be first."

"Gentlemen," said Edgar Williamson, half choking with laughter, "you may have my paper gratis for one year, and my hat to boot."

"Verily, Edgar," replied the novelist, with the utmost gravity, "you do as much for one half of your subscribers as that, and instead of furnishing them with your hat also, you give them all that is under it."

"We have daggers and shooting sticks only for delinquent subscribers," replied Edgar, but reserve all our stars for our friends."

"Well, gentlemen, let the stars shine where they are, and take care that you do not misplace them upon certain occasions. We come here, for the vulgar purpose of eating, not publishing; but rather than interfere with your inclinations, pray insert a piece of turkey. I assure you it is a rich and spicy article," said Desmond.

"Take that man out immediately!" laughingly exclaimed Friggins, one of the musicians, "or I shall drink wine no more for ever."

"Then, my dear Friggins," replied Desmond, "like King Henry, it may be said of you, from this night, 'He never smiled again.'"

"Now, by all that is impossible to bear," exclaimed Friggins, amidst a roar of laughter from the company, "did mortal ever hear the like of that!"

Mr. Johnson, bless my soul, what are you doing?" said Desmond, observing that gentleman eating very sparingly.

"He is distributing pie, I should think," replied Fire-entrer, "judging from the appearance of his plate."

"Mr. Johnson does not see the point," said Friggins.

"My good Friggins, replied Johnson, 'it would take a sharper eye than mine to detect anything like a point in anything which you have said to-night; a period would suit my purposes as well just now.'"

"I do declare," said Friggins, playfully, "isizing a carving knife from the table, 'I shall be under the painful necessity of illustrating my remarks by cuts, before you can see the point.'"

"Well done for Friggins!" chimed in over a dozen voices.

"You are already in possession of a good sized frontispiece, Friggins," retorted Johnson, pointing to a large piece of flesh between the eyes and mouth of that worthy, which he dared to call a nose.

"I am aware of that fact," laughingly replied Friggins; "I nose it well."

And thus were jokes passed, and retorts given, until almost every one of the numerous dishes were empty. The dishes and cloth were then removed, and fine wines and liquors and segars took their vacant places, only to meet with a like fate.

It is not our purpose, nor do we feel disposed, to describe what now took place—the songs which were sung, the toasts which were given, and the music which was performed. Wine, toasts, songs and instrumental music were all excellent—the latter especially. The combined melody of violins, flutes, guitars, harp and piano, may be imagined far better than described, and the shower of exquisite music, that filled and sanctified the parlor of Desmond Drayton upon this occasion, is as far above the powers of description, as the blue of heaven is above the verdure of earth.

Pity that music should be prostituted—pity that her honored tones do not linger, ever and alone, amid all that is pure, lovely and of good report! Pity that her voice may be heard in the abodes of vice, as well as in the homes of the pure in heart.

Pity that she stupifies the run madmen brain of the drunkard, with the same song with which she lulls the little child to sweet sleep and innocent dreams. Let not the reader suppose that these remarks are particularly applicable to the party now assembled in Desmond's parlor. True, there was much wine drunk, many queer songs sung, and an unusual degree of mirth and conviviality manifested; but every man present was a man of sober and profound judgment, who partook of and enjoyed such seasons as these as he would stoop to pluck a wild flower in his path, not because it was necessary, but because it was pleasant and agreeable. Desmond had been feeling sad ever since his arrival in Woodville; he could neither read, write, nor anything else. A dark cloud was lowering over his head, a deep, chilly shadow was creeping over his heart, which made him wretched. For these reasons had he called together his intimate friends and associates, whom we now find assembled in his cottage. Many of them were hard working men, who had been closeted in dull offices, studies, and sanctuaries for many a long day and weary night, busily engaged in brain work for the benefit of their fellow men. To such a class of men, such social gatherings as the present was of rare occurrence, and enjoyed with a zest far above the comprehension of the masses. But we must proceed with our story.

The little clock upon the mantel had just struck twelve, the guests had all departed, except Lionel Evans, who now stood with Desmond upon the piazza, admiring the loveliness of the moon-illumined night.

"You are feeling sad, Desmond, are you not?" said Lionel affectionately, placing his hand upon Desmond's shoulder.

"How can I help it, my dear fellow?" replied Desmond.

"Do you strive against such feelings?" asked Lionel.

"Yes, Lionel, I do strive; and yet I know not why, but I begin to feel very unhappy."

"Now, Desmond," replied Lionel, "when Mrs. Woodworth obtained the place of governess in uncle's family, through your influence, and you persuaded him to send her child to a fashionable school at your expense, did you not say to me, that you would feel happy now, so long as Mrs. Woodworth kept in ignorance regarding the part that you were acting in the matter?"

"I did tell you as much," replied Desmond.

"What then is the cause of your sadness, since your plans have succeeded so admirably, and Mrs. Woodworth so comfortably situated?"

"Does she ever speak of me," asked Desmond.

"Cousin Leoline tells me that she speaks very highly of your lectures, and invariably attends them."

"Is that all?" asked Desmond.

"All—I can tell you what, Desmond, I should like such a thoroughly refined, educated, accomplished and beautiful lady to say as much about my poems."

"I have heard much in praise of your poems, my dear Lionel, and —"

"Well, Desmond, say no more, or I will not relate more of what I have heard that Mrs. Woodworth has spoken about you."

"Go on," replied Desmond.

"Well, my dear fellow, cousin Leoline, says that Lula Woodworth thinks you, not only a handsome, but worthy and noble-hearted man. How do you like that?"

"Lionel Evans!" exclaimed Desmond, with much agitation and warmth, "beware how you trifle with the feelings of an honest man. Tell me, seriously, did Lula really make any such remark?"

"I have my cousin's word for it," replied Lionel.

"But, Desmond," he continued, "what, in the name of heaven, is there about the matter to agitate you to such an extent?"

"Lionel, I love Lula—have loved her all my life, even as fervently as she has hated me."

"And you have never told me this until now?" replied Lionel, reproachfully.

"Come into the parlor, Lionel; it is growing chilly out here, and I have much to tell you."

As soon as they became seated, Desmond began: "About five years ago, Lionel, I met Lula at an evening party at a friend's house, and (to make a long story short) fell desperately in love with her. I obtained an introduction to her during the course of the evening, at which time I learned that she was the only daughter and heiress of Joseph McPherson, the banker, who accompanied her to her father's residence, upon which occasion she very cordially invited me to call whenever I could make it convenient."

I paid her a visit the very next day, and, from that time, became a frequent and welcome visitor at her father's house. I have often taken her out with me to ride, and what with sailing, walking, and riding together almost daily, she became very much attached to me, and manifested her love in ten thousand ways, though I am conscious perhaps of any such manifestations. Several months passed away—months gliding with the sweetest associations and recollections to my heart—when one morning a certain Augustus Woodworth visited Lula's father, after which he became a daily visitor. He was very particular in his attentions to Lula, which seemed to afford much displeasure and annoyance to her. As weeks passed, I imagined that Lula was less inclined to ramble or ride with me than usual. Her father's manner towards me became cuttingly cold and chillingly reserved, and everything led me to believe that Woodworth was the cause of it all.

It was not very long before I was deprived of Lula's society altogether, and when dining at her father's house, she did not even make her appearance at the table. This was quite significant to me, and I was left assured of her father's intentions. The next day I called unexpectedly upon Lula, and found her alone. I declared my love, and asked her hand in marriage.

At first she became much agitated; the warm blood rushed to her cheeks—then, leaving them pale as marble. She staggered to a chair, and sunk heavily upon it, apparently in a fainting state. I instinctively put my arm around her waist to support her, when she suddenly arose, and looking contemptuously upon me, bade me 'beware taking liberties with one so far above me.' Then resuming her seat, she said bitterly, 'Mr. Drayton, this is no place for mechanics, sir.'

Surprised beyond the possibility of description, I was about to ask an explanation of this strange change in her manner, when her father entered the room, accompanied by Woodworth. He cast one scornful look upon me, then bade me immediately leave the house, and disgrace it. No more by my shadow upon the threshold. It was needless to attempt the description of my feelings; I felt myself outraged, trodden upon, and insulted. I sold the little property in my possession, and with fifteen hundred dollars in my trunk started for New Orleans.

Thanks to my dear parents, I had received a thorough collegiate education; so laying out near five hundred dollars in the purchase of a select library, I spent most of my time in reading and study. Finding my expenses very heavy and my funds becoming exhausted daily, I made application for, and obtained, a professor's seat in B— college. I first came into public notice as a lecturer by an address before the students and public generally about four years ago. My health failing me, because of excessive application to study, I obtained permission to travel for a few months. Instinctively I returned to Woodville, where I learned that Lula had become the wife of Woodworth about a year previous to my arrival, and that her father had died a bankrupt soon after. I remained several months in Woodville, and being, as you know, a tolerably fair carpenter, I erected the cottage in which we now sit.

Material benefit to my health, and I was soon able to return to New Orleans, and engage in the duties of my new profession. Shortly after my arrival there I was elected President of the college, and fate now seemed to smile upon my efforts, and shower honor upon me. I then, as you know, wrote my first and last work, entitled, 'Literature, Art, and Science.' The work sold well and brought me in a snug amount. During all this time you have no idea how much mental agony I endured, because of the loss of her whose very shadow was dearer to me than life itself. I could not bring my mind to the belief that Lula loved Woodworth, but had no doubt whatever but that the marriage had been one of policy, and brought about by her father for the furtherance of some of his plans. But even such a course of thought could not end in clearing Lula of all blame in the premises; so I made up my mind to forget that she had ever existed, and to hate her sex generally.

But I must be more brief, as the hour is late and you know I have to lecture to-morrow night."

"Pray proceed," said Lionel eagerly.

"Well," continued Desmond, "I finally thought that I had forgotten all about Lula, and become quite a graduate in the woman hating school. My whole soul was bent on the determination of making my heart proof against love; and books, music, wine and company were resorted to for this purpose."

"No wonder you failed in your efforts," said Lionel.

"My health began to fail me again," continued Desmond, not noticing his friend's remark, "and I was just wondering whether I should vacate the seat in college, when I received intelligence of the death of my uncle at Woodville, and that he had left me sole heir to his valuable property. As soon as I could do so with propriety, I resigned my seat at college, and returned to Woodville in single blessedness, and took possession of my property. Renting out all my larger houses, I retired, as Tom would say, in dignified disgust to this cottage, to which, my dear Lionel, you are most heartily welcome."

"But, Lionel, amidst all the evidences of wealth and luxury, which you see around me, I found that I was, after all, destitute of something, I knew not what; yet the absence thereof made me poor indeed. I was sitting in my library, about four months ago, with the very worst case of blues with which an old bachelor was ever afflicted, when I accidentally discovered a small package upon the mantel." Desmond then related what the reader has already heard, about the discovery of Lula's Anabaptist, his visit to the artist's gallery the next day, the discovery of Lula's whereabouts, his visit to C—, and all that there occurred.

"I tried to persuade myself that I was but trying to better Lula's condition, simply as a benevolent and disinterested action; but my heart tells me now, Lionel, that such was not the case. When I returned to Woodville after my unsuccessful attempt to see Lula at C—, and saw her advertisement in the 'Evening Mirror' for a situation as governess, I called upon the advertiser, which, as I suspected, was Lula Woodworth. Immediately, as you know, paid a visit to your uncle, and after much persuasion, obtained the place for her; your uncle promising not to mention what hand I had in the matter. Lula's sweet little daughter, though almost too young to attend any school, I had sent to Mrs. Williamson's Boarding School, where I know, in charge of that admirable lady, every care will be taken to instill into her every plant mind and heart whose dispositions and traits of character which dignify the sex, and best prepare them for their quiet, but important duties in life."

"Lionel, my pure-hearted boy, it is no use to disguise the truth from you—all this I have done by and under the influence of a love for Lula that masters my very soul, and makes me a slave at her feet."

"Oh, Desmond! there is sublimity in such a love!" exclaimed Lionel, with much feeling. "But why have you kept it so long a secret from me, Desmond, I may—I should—may I will—do my utmost for you in this matter." And the beautiful face of the youthful poet beamed out eloquently with sympathy, love, light and genius.

"God bless your young heart, Lionel!" replied Desmond; "but what can you do for me?"

"Will you accept of my services?" "Gladly, and gratefully too, will I do so, dear boy," replied Desmond.

"Then Lula Woodworth shall be yours," cried the youth, striking his fist upon the table, to give emphasis to his words.

"Lionel," said Desmond, "may I ask, how you are going to bring about so desirable an end?"

"I and cousin Leoline will manage it," replied he.

"That matters not just now, replied Lionel, 'but just confide in me, and all shall be well.'"

An hour after the two friends were locked in the close embraces of sleep, each busy with his own dreams.

[TO BE CONTINUED.]

COTTEE AND MILK.—Dr. D. A. Caron of Paris, has recently been engaged in investigating the effect of breakfasting on this favorite beverage, and from the results, he thinks that he is justified in asserting that most of the nervous and allied disorders which affect the dwellers in large cities are traceable to this source. His further informs us that when the coffee is mixed with milk its irritating properties are neutralized because of its fermentation being retarded. Coffee and milk in a bottle were twenty-seven days before they began to decompose, whilst milk and sugar were only three days. It is evident that the nitrogenous properties of the coffee hinder the digestion of the milk; and, at the same time, the caffeine or active principle of coffee is set free, and acts on the membrane of the stomach in the same manner as vegetable alkalies, producing most disastrous consequences to the digestive apparatus. He tried many experiments on himself and friends, and found that in a few hours the pulse was lowered from 80 to 65; from that it went down to 55, when he took some food, and it immediately rose to 72. He concludes by informing us that many cases of irritation, nervousness and hysteria have been entirely cured by a gentle course of tonics, and giving up the use of coffee.—Scientific American.

Grandpa, did you know that the United States have been in the habit of encouraging and acknowledging Tories? "Certainly not; what kind of Tories?" "Terrorists." Now give me some peanuts or I'll catch the measles, and make you pay for 'em.

A coxcomb, teasing Dr. Parr with an account of his petty ailments, amongst others complained that he could never go out without catching cold in his head. "No wonder," returned the doctor, "you always go out without anything in it."

Report of the Comptroller General.

The Banks of this State have all accepted the provisions of the Act of December, 1840, to provide against the suspension of specie payments. There has been as usual an extraordinary amount of speculation in "Domestic Exchange," and in fact a use of their funds generally by the private Banks in every way injurious, and that will ultimately prove disastrous, in the extreme, to all the industrial pursuits and interests of the State. At the commencement of the fiscal year all the Banks in this State had an aggregate liability of \$32,939,231 47. To meet this liability their assets in specie were \$1,383,293 73, with \$7,896,222 35 in Domestic Exchange, and \$275,174 46 in Foreign Exchange, which the Banks claim to be the equivalent of specie, but which can in no emergency be made available. At the same time the amount of deposits was \$3,253,844 90, nearly three times the amount of specie in their vaults, and therefore liable at any moment to be drawn into suspension by their depositors, were a combination formed for that purpose. On the last day of July the total liabilities of all the Banks was \$33,519,183 54, with specie only to the amount of \$1,267,289 77, and a circulation of \$7,829,527 37, and deposits to the amount of \$3,518,837 14. The amount of Domestic Exchange then on hand was \$10,370,561 01, with but \$427,494 41 of Foreign Exchange.

Again at the close of the fiscal year (30th September) their total liabilities amounted to \$33,005,739 91, with only \$999,999 70 in specie. They then had on deposit \$2,839,281 21, nearly treble their amount of specie, whilst their circulation was \$7,105,170 51, with Domestic Exchange to the amount of \$10,255,530 98 and only \$231,553 15 in Foreign Exchange. This showing is truly alarming to the financial interests of the State. The whole of our Banks are in the hands of mere speculators, who wantonly disregard the teachings of experience to do as safe banking, and hence our Banks are at any day at the mercy of their depositors. The Comptroller has so often brought these speculations in exchange to the attention of the Legislature to no purpose, that he has despaired of seeing any wholesome law made to restrain them. He will not, however, shrink from a faithful and fearless discharge of his duty, although he has not succeeded heretofore in arresting the arrogant claim of the private Banks, that they have power under their charters to do as they please, and are not amenable to the public for their acts, there is little doubt but the courts of the State would soon bring them under the law of the land, and teach them to know that they are public institutions with certain private rights, and that they are at least not omnipotent to do evil. Whatever remedy you may, in your wisdom, apply to arrest their abuses, in the judgment of the Comptroller should be prompt, sharp and severe. If the full measure of the punishment was meted out to them that they deserve, there is not one of the new batch of Banks chartered in 1852 but as richly deserves a forfeiture of their charters for the course they have pursued, as any political traitor ever merited decapitation for treason to his country. They have prostituted the former well tried and legitimate system of Banking in this State to one of mere speculation in exchange; or, in other words, they have changed the legitimate system of banking and their Banks into mere shaving shops; and at their own counters, or through the agencies at every point in or out of the State, where their own or other citizens' papers or sight drafts, or drafts on time, can be bought on speculation, until their operations would shame the denizens on Wall street in New York, or the Bourse in Paris. There is no citizen in South Carolina more familiar with all the facts set forth in the petitions, memorials, arguments and entreaties made to the Legislature in 1852, to induce that body to grant the charters for these institutions, than the present Comptroller General, who was an actor and active participator, both as a member of that body and as charged with the interests of those desiring a Bank; and it is now in his power to give a most minute and detailed account, or history, of the circumstances and facts under which they obtained their charters—not one of which has performed the functions for which they were created, or redeemed the pledges made to obtain them. They are not, and cannot be called, Banks of loans, deposits and discounts; but are mere bookkeepers for paper shaving, under cover and form of dealing in exchanges. The words "Domestic Exchange" should be stricken from the form of their monthly reports to the Comptroller, and those of "shaved paper" substituted therefor. They should be compelled to declare every dollar of their profits in quarterly or semi-annual dividends, and the words "reserved profits" by which they conceal from many of their dupes the enormous profits they are making, stricken from their statements. They should be compelled to keep at least one dollar in specie for every three dollars they have in circulation, and no private Bank should be allowed to issue bills under the denomination of twenty dollars. The profits that some of these Banks are making by their shaving operations are enormous. Take, for instance, the Bank of Hamburg. The report from that Bank for the month of September, shows that its last semi-annual dividend was at the rate of 12 per cent. per annum, and the amount declared in dividends was \$30,000, whilst the amount of "reserved profits" was \$124,360 96. When the Bank of Hamburg declared its last extra dividend is not known to the Comptroller, but if the above sums are added together, and the sum of \$30,000 yields a dividend at the rate of 12 per cent. per annum the sum of \$154,360 96 will yield at the rate of 61 3/4 per cent. per annum. Notwithstanding these enormous profits, there is not a solitary one of them that could redeem in specie one half, one fourth, one eighth, one tenth, one twelfth, and some

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The Banks of this State have all accepted the provisions of the Act of December, 1840, to provide against the suspension of specie payments. There has been as usual an extraordinary amount of speculation in "Domestic Exchange," and in fact a use of their funds generally by the private Banks in every way injurious, and that will ultimately prove disastrous, in the extreme, to all the industrial pursuits and interests of the State. At the commencement of the fiscal year all the Banks in this State had an aggregate liability of \$32,939,231 47. To meet this liability their assets in specie were \$1,383,293 73, with \$7,896,222 35 in Domestic Exchange, and \$275,174 46 in Foreign Exchange, which the Banks claim to be the equivalent of specie, but which can in no emergency be made available. At the same time the amount of deposits was \$3,253,844 90, nearly three times the amount of specie in their vaults, and therefore liable at any moment to be drawn into suspension by their depositors, were a combination formed for that purpose. On the last day of July the total liabilities of all the Banks was \$33,519,183 54, with specie only to the amount of \$1,267,289 77, and a circulation of \$7,829,527 37, and deposits to the amount of \$3,518,837 14. The amount of Domestic Exchange then on hand was \$10,370,561 01, with but \$427,494 41 of Foreign Exchange.

Again at the close of the fiscal year (30th September) their total liabilities amounted to \$33,005,739 91, with only \$999,999 70 in specie. They then had on deposit \$2,839,281 21, nearly treble their amount of specie, whilst their circulation was \$7,105,170 51, with Domestic Exchange to the amount of \$10,255,530 98 and only \$231,553 15 in Foreign Exchange. This showing is truly alarming to the financial interests of the State. The whole of our Banks are in the hands of mere speculators, who wantonly disregard the teachings of experience to do as safe banking, and hence our Banks are at any day at the mercy of their depositors. The Comptroller has so often brought these speculations in exchange to the attention of the Legislature to no purpose, that he has despaired of seeing any wholesome law made to restrain them. He will not, however, shrink from a faithful and fearless discharge of his duty, although he has not succeeded heretofore in arresting the arrogant claim of the private Banks, that they have power under their charters to do as they please, and are not amenable to the public for their acts, there is little doubt but the courts of the State would soon bring them under the law of the land, and teach them to know that they are public institutions with certain private rights, and that they are at least not omnipotent to do evil. Whatever remedy you may, in your wisdom, apply to arrest their abuses, in the judgment of the Comptroller should be prompt, sharp and severe. If the full measure of the punishment was meted out to them that they deserve, there is not one of the new batch of Banks chartered in 1852 but as richly deserves a forfeiture of their charters for the course they have pursued, as any political traitor ever merited decapitation for treason to his country. They have prostituted the former well tried and legitimate system of Banking in this State to one of mere speculation in exchange; or, in other words, they have changed the legitimate system of banking and their Banks into mere shaving shops; and at their own counters, or through the agencies at every point in or out of the State, where their own or other citizens' papers or sight drafts, or drafts on time, can be bought on speculation, until their operations would shame the denizens on Wall street in New York, or the Bourse in Paris. There is no citizen in South Carolina more familiar with all the facts set forth in the petitions, memorials, arguments and entreaties made to the Legislature in 1852, to induce that body to grant the charters for these institutions, than the present Comptroller General, who was an actor and active participator, both as a member of that body and as charged with the interests of those desiring a Bank; and it is now in his power to give a most minute and detailed account, or history, of the circumstances and facts under which they obtained their charters—not one of which has performed the functions for which they were created, or redeemed the pledges made to obtain them. They are not, and cannot be called, Banks of loans, deposits and discounts; but are mere bookkeepers for paper shaving, under cover and form of dealing in exchanges. The words "Domestic Exchange" should be stricken from the form of their monthly reports to the Comptroller, and those of "shaved paper" substituted therefor. They should be compelled to declare every dollar of their profits in quarterly or semi-annual dividends, and the words "reserved profits" by which they conceal from many of their dupes the enormous profits they are making, stricken from their statements. They should be compelled to keep at least one dollar in specie for every three dollars they have in circulation, and no private Bank should be allowed to issue bills under the denomination of twenty dollars. The profits that some of these Banks are making by their shaving operations are enormous. Take, for instance, the Bank of Hamburg. The report from that Bank for the month of September, shows that its last semi-annual dividend was at the rate of 12 per cent. per annum, and the amount declared in dividends was \$30,000, whilst the amount of "reserved profits" was \$124,360 96. When the Bank of Hamburg declared its last extra dividend is not known to the Comptroller, but if the above sums are added together, and the sum of \$30,000 yields a dividend at the rate of 12 per cent. per annum the sum of \$154,360 96 will yield at the rate of 61 3/4 per cent. per annum. Notwithstanding these enormous profits, there is not a solitary one of them that could redeem in specie one half, one fourth, one eighth, one tenth, one twelfth, and some

not over one sixteenth, of their bills in circulation, and this by their own showing, if any great or sudden crisis or emergency should throw them upon their counters. It is true that "Exchange" is regarded as specie, but no well informed man or banker will claim the same for "Domestic Exchange," or if so, will assert that it can at once be made available. The course of the new have driven (no doubt willingly) many of the old Banks, since their re-charters were obtained, into a similar system of speculation, whilst others of them have only continued in an old and beaten track that they have followed so long and with so much impunity, they doubtless think they have a prescriptive right to do as they please. The old should, therefore, be made to share the same fate and penalties of the new Banks. By a close and critical examination of their monthly reports to this office, it will be seen that an exaggerated picture of their shaving operations could not well be drawn by the most fertile imagination. What remedy the Legislature will supply to arrest this great and growing evil, one destined at no distant day to overwhelm the country with ruin and disaster, and which will inevitably involve us in great monetary difficulties, the Comptroller can neither foresee nor determine. He feels that he has faithfully performed his duty, and his whole duty, in thus bringing it forcibly before your honorable body, as has long been his purpose to do, and to leave to time and circumstances the wisdom of the act. He is aware that the severe strictures he has indulged in will grate harshly on the feelings of individual members and Bank stockholders, but he is not to be deterred from the full discharge of his duties by that or any other consideration of favor or of policy. That your honorable body may deal with these offending institutions in no very measured terms, and with an unsparring hand so as to arrest the wild, reckless and extravagant system of speculation they have inaugurated in our State, is his earnest hope and desire.

NONE.—Since the foregoing report was closed at the end of the fiscal year, no less than twelve out of twenty Banks have suspended specie payments. The evil is upon the country at even an earlier period than the Comptroller anticipated, although he apprehended serious financial embarrassments from the illegitimate course of the Banks in this State, and called the attention of the Legislature to their speculations in his Annual Report as early as the years 1854, '55, and '56. It was his conviction that they would sustain themselves until after the expiration of the approaching session, but the outside pressure from other States and banking institutions was too great to be resisted, and they have been driven into suspension. Whatever diversity of opinion may prevail as to the wisdom and policy of their suspending, that great blame attaches to them for placing themselves in the condition that rendered suspension necessary no one will question or doubt, and they should be made to suffer the penalties therefor. The Comptroller General, as chief officer of the financial department of the State, in view of the crisis which has been precipitated upon us, feels it incumbent on him to present, with great deference, his opinions as to the proper remedy to be adopted to punish the delinquent Banks, and to prevent in future a state of affairs which must lead to a similar result. The penalties imposed by the second section of the Act of 1840, to provide against the suspension of specie payments, should be firmly and rigorously enforced. Should either of the suspended Banks neglect or refuse to pay the penalty already prescribed by law, a provision of law should be made by which legal proceedings could at once be instituted against such delinquent Bank or Banks, for the purpose of vacating or declaring void its charter. To prevent future speculation, and secure a sufficient metallic currency for the ordinary wants of the people of the State, no Bank should be allowed to issue bills of less denomination than twenty dollars. The shaving of paper, now described as "Domestic Exchange," should be prohibited. Any Bank which should, for more than thirty days consecutively, have a circulation of its bills greater than three dollars for every one in specie in its vaults, should forfeit ten per cent. per month for such excess. The existing law prohibiting any Bank from paying out the bills of other Banks should be so modified as to prohibit only their paying out the bills of the Banks of other States.